

Central Intelligence Agency



Washington, D.C. 20505

OLL85-3072/4

25 OCT 1985

Mr. James M. Frey  
Director for Legislative  
Reference  
Office of Management and Budget  
Washington, D.C. 20503

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Dear Mr. Frey:

This is in response to your request for the views of the Central Intelligence Agency on an Office of Personnel Management (OPM) draft bill to change the method of computing benefits for employees who perform part-time service under the Civil Service Retirement System. The purpose of the bill would be to close a loophole in the present system that allows part-time employees to change to full-time status during the last three years of their career and thereby receive an annuity equal to that provided for an employee who worked a full-time schedule for his career. While the Agency has no objection to closing a loophole that allows part-time employees to be treated as full-time workers for purposes of determining retirement benefits, we do believe this draft bill covers more than is necessary to remedy the problem.

The major problem has been individuals who work a substantial part of their career as part-time employees and who change over to full-time status before retiring so as to obtain retirement benefits equal to that of a full-time employee. This clearly is a windfall that cannot be justified. However, the bill also would cover employees who work a substantial part of their career as full time employees and who convert over to part-time status during their last few years prior to retirement. For example, the bill would reduce the annuity of a person who works 27 years as a full-time employee and three years as a part-timer. While it is arguable and logical that a 27-year full-time employee should not receive the same annuity as someone who worked 30 years full-time, it is not clear that the significantly increased, per-case, processing time and complexity of annuity calculation which may be entailed in applying the provisions of the bill would be justified by eliminating the full-time annuity benefits for those who have worked 27 years full-time.

We believe this draft bill should be modified to deal more precisely with the potential abuse situations. This could be accomplished by applying the new computational method only when the major or preponderant part of an employee's career has been spent as a part-time employee. For example, the bill could be amended so that its provisions only apply if one-half or two-thirds of the employee's service was part-time.

If you have any further questions regarding our position on this matter, please contact me or [redacted] of my staff at [redacted]

STAT  
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Sincerely,

/s/Charles A. Briggs

Charles A. Briggs  
Director, Office of Legislative Liaison

Distribution:

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OLL 85-3072

# Office of Legislative Liaison

## Routing Slip

TO:	ACTION	INFO
1. D/OLL		X
2. DD/OLL		X
3. Admin Officer		
4. Liaison		X
5. Legislation	X	
		X
		X
8.		
9.		
10.		

SUSPENSE

24 Oct 85

Date

Action Of	
Remarks.	<i>Action completed per LTR DTD. 25 OCT 85</i>

/70ct85

Name/Date



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503  
October 2, 1985

LEGISLATIVE LIAISON
85-3072

LEGISLATIVE REFERRAL MEMORANDUM

TO: Legislative Liaison Officer

Department of Agriculture  
Department of Commerce  
Department of Defense  
Department of Education  
Department of Energy  
Department of Health and Human Services  
Department of Housing and Urban Development  
Department of the Interior  
Department of Justice  
Department of Labor  
Department of State  
Department of Transportation  
Department of the Treasury  
Agency for International Development  
Central Intelligence Agency  
Environmental Protection Agency  
General Services Administration  
National Aeronautics and Space Administration  
Small Business Administration  
U.S. Information Agency  
Veterans Administration

SUBJECT: OPM draft bill "To amend title 5, United States Code, to change the method of computing benefits for employees who perform part-time service under the Civil Service Retirement System, and for other purposes.

The Office of Management and Budget requests the views of your agency on the above subject before advising on its relationship to the program of the President, in accordance with OMB Circular A-19.

A response to this request for your views is needed no later than October 25, 1985.

Questions should be referred to Hilda Schreiber (395-7362) the legislative analyst in this office.

*Naomi R. Sweeney*  
Naomi R. Sweeney for  
Assistant Director for  
Legislative Reference

Enclosures



United States  
**Office of  
Personnel Management**

Washington, D.C. 20415

**SEP 30 1985**

In Reply Refer To

Your Reference

Honorable Joseph R. Wright, Jr.  
Acting Director  
Office of Management and Budget  
Washington, D.C. 20503

Attention: Assistant Director for  
Legislative Reference

Dear Mr. Wright:

The Office of Personnel Management has prepared the enclosed legislative proposal, "To amend title 5, United States Code, to change the method of computing benefits for employees who perform part-time service under the Civil Service Retirement System, and for other purposes," together with appropriate accompanying documents.

This proposal is designed to close a loophole in current law which could permit an employee with a long part-time career to convert to a full-time schedule for his last three years and thereby receive an annuity equal to that provided for an employee who worked a full-time schedule for an entire career.

OPM developed a similar proposal several years ago as a portion of our Civil Service Retirement Amendments of 1982. This item was then deleted from the package at the direction of your agency, apparently in response to the concerns of some employing agencies regarding the improvements in record-keeping needed to implement the change. However, as a result of recent discussions of the problem with your agency, we agreed to prepare a legislative proposal on this issue once again.

We would appreciate receiving your advice as to whether the submission of this legislative proposal to Congress would be consistent with the Administration's program.

Sincerely,

Constance Horner  
Director

Enclosures

*Joe - This is the Boldue  
suggestion I followed up  
on for you while at  
OMB. Constance*

CON 114-24-3  
January 1980

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